

**SHOULD GOVERNMENT
EMPLOYEES BE PAID
MORE THAN PEOPLE
IN THE PRIVATE
SECTOR?**

THEODOR HOLM
GALERIDGE RFD 1
PORT MURRAY NJ 07865

~ JAN 81

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Membership Benefits

- **Personal Tax Savings.** NTU's newsletter, Dollars & Sense will show you how to pay no more tax than you absolutely have to. You'll read about ways to cut your taxes *immediately*. This information alone is worth many times your membership contribution.
- **Help Cut Government Spending.** Your membership contribution will support direct action to cut government spending. Cutting the waste out of government will leave you with more money in your pocket.
- **Reduce Inflation.** NTU's Balanced Budget Amendment is within a whisker of passage. After it becomes law, your cost of living will decrease. And your standard of living will increase.

Membership Acceptance Form

☐ YES, I accept. Please put me down as a member of the National Taxpayers Union. I understand that I will receive a full year's subscription to Dollars & Sense (10 issues) and that you will use my membership contribution to help cut government spending and reduce taxes.

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Sponsor

☐ \$500

Sponsor

☐ \$100

Sustaining
Member

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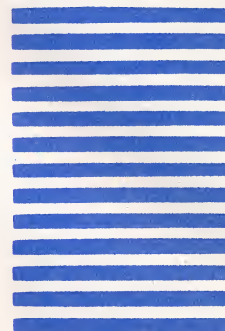
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National Taxpayers Union

325 Pennsylvania Avenue, S.E.

Washington, D.C. 20003



HOW MEMBERSHIP IN THE NATIONAL TAXPAYERS UNION MAY BE THE BEST INVESTMENT YOU EVER MADE.

Cutting your taxes.

State, local and federal government costs the average family more than \$12,000 annually. And that figure is going up faster than any other single item in your cost of living. If things keep going as they are, government may cost you nearly twice as much in just five years.

So you see, if you could cut the cost of government—even just a little—you'd save a lot of money. Naturally, we don't expect complete success right away. But if all our lobbying, organizing and research efforts only result in a *1 % reduction*, you'll save, on the average, about \$150 annually. Since membership in the National Taxpayers Union costs only \$20 a year, that's a good return on your money.

We'll help you cut your personal taxes as well.

As part of your membership in the National Taxpayers Union, you'll receive 10 issues of Dollars & Sense, the newsletter of the taxpayers movement. Dollars & Sense will give you ways to cut your own personal taxes *immediately*. Written by tax experts, and a former IRS agent, Dollars & Sense will show you how you can cut your taxes (*legally* of course) by as much as 20% a year. Dollars and Sense will tell you how to reduce your tax liability to the *least amount the law requires*. There's absolutely no reason to pay more than you have to. Dollars & Sense will help make sure you don't. Dollars & Sense alone should save you many times the low membership fee.

Your Investment Will Pay Off In Other Ways Too.

Government costs you plenty. Because of government-caused inflation (and taxes) the average working person will earn less spendable income this year than 10 years ago. This situation makes it hard to buy a house, and almost impossible to save money. A shortage of savings means less in-

vestment, which means less production, and so on. Our economy and our living standards decline with every fiscal year.

But think what it would mean to you if inflation could be stopped. Or even slowed down a bit. Our proposal for a Balanced Budget Amendment now has the support of a majority of the states and a sizeable minority of Congress. If we're able to get it passed (it looks *close*), deficit spending, the major cause of inflation, will be banned. Your dollars will be stronger. Your economy will be healthier. And your standard of living will start to rise again. Indeed, if our economy had grown these past ten years at the same rate as in previous decades you'd have \$5,000 *more* income this year alone.

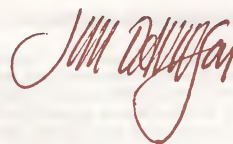
If membership in the National Taxpayers Union is worth so much money, why is the membership fee so low?

We're out to change things . . . not make a profit. (The National Taxpayers Union is a non-profit organization).

The way to change things in Washington is to get as many people to back you up as possible. That's the reason I've written this letter to you. I need your help to make this program succeed.

Politicians are a little hard of hearing. You've got to speak up, to be heard. The more voices on your side, the greater the chance of getting through. If you're with us—if you want to see your taxes cut, our economy back on its feet, and government spending reduced—please speak up. Let your voice be heard by joining with thousands (more than 100,000 at last count) of other citizens who feel the way you do. Join the National Taxpayers Union today.

Thank you for taking the time to read my letter. I look forward to hearing from you.

A handwritten signature in dark ink, appearing to read "Jim DeMint". The signature is fluid and cursive, with the first name "Jim" clearly legible and the last name "DeMint" written in a more stylized, connected script.

COMMENTS ON THE NATIONAL TAXPAYERS UNION

"There are 1,003 grabby lobbies in Washington. Each sucks like a bilge pump on government funds.

Thank God there is a 1,004th lobby in Washington. It is the National Taxpayers Union, a brave little group representing (110,000) citizens who pay to close a few of the holes punched in taxpayers pockets by the other 1,003 lobbies."

The Arizona Republic

"In increasing numbers, taxpayers around the country are sending a message to Washington: 'Don't waste our money on foolish ideas.'

The National Taxpayers Union, a bipartisan organization based in Washington, helped trigger taxpayer reaction with recent publication of a list of what is termed questionable projects."

—U.S. News & World Report

"... years of service in the United States Senate has convinced me that the most under-represented cause in this country is that of the taxpayer.

Time after time the Congress appropriates literally billions of dollars with virtually no consideration for the American taxpayer.

In hundreds of hours of testimony on bills that create obligations that will burden taxpayers for years to come, it is rare that there are even a few minutes of testimony of the impact of this spending on the man and woman who pays for it through his taxes.

In the intensive lobbying that characterizes every big new spending measure, there will usually be

"... the group's (NTU) relatively recent strength and national prominence lie in the fact that it has served as a national sounding board for a major grassroots movement of taxpayers angered and frustrated over inflation and taxes.

Founded in 1969, NTU was fighting wasteful government spending long before Howard Jarvis, the leader of the "Proposition 13" movement, became a household word."

—Congressional Quarterly

"The NTU . . . they serve a very useful function in Washington. They pound and hound for basics, such as a constitutional amendment to prohibit government from taking more than 25 per cent of an individual's income and an amendment for a balanced budget."

—Chicago Tribune

"I appreciate the work done by the National Taxpayers Union. Your thoughtful analysis of government fiscal policy, and your detailed study of wasteful practices, are immensely helpful to the Congress—and indeed to all concerned with the proper use of tax funds.

Sometimes I think the phrase 'all concerned with the proper use of tax funds' doesn't cover very many people.

great pressure from the businesses that benefit, often intense supplication from the labor unions whose members will get jobs from the project, impressive representations from the public officials representing the states or cities that will share in the expenditures. But there is rarely any voice from the taxpayer who is required to bear the burden by paying for the project through his taxes or going to jail.

The National Taxpayers Union is beginning to provide just this kind of voice, the reminder of the immense cost of these huge expenditures to the country's taxpayers. The National Taxpayers Union is determined to make the arguments against spending evident to those who make the decision whether to save or to spend. This vital effort will, if supported, not only hold down spending, but help make a stronger and freer nation."

—**Senator William Proxmire**
(D.-Wisconsin)

"You are the most necessary lobby we have. The only way to regain control of the budget is to make the people back home—our constituents—realize that the Federal Government is spending their money, and to get them to actively and vocally support Federal budget cuts.

I applaud and support your past successes, but your efforts are needed more than ever this year."

—**Senator William Roth**
(Delaware)

I am certain that not enough Americans are fully aware of the terrible conditions of federal finances."

—**Senator Harry F. Byrd**
(Virginia)

"Barely 10 years old, the National Taxpayers Union is one of the shining lights in the American political system. It serves a function that few other groups or individuals do, as an articulate and effective exponent for the beleaguered masses whose precious resources make possible government's largesse to a multitude of interests.

—**The Register**
(Santa Ana, California)

"It is not a question of whether we are to have 'liberal' or 'conservative' government. The issue is more basic than that. Without a constitutional amendment forcing a balanced federal budget, there is little chance that we can halt the process which threatens to bury the American way of life under an avalanche of inflation and debt. Balanced budgets are a progressive cause also. Without them, the poor, the weak, and the helpless suffer most. That is why I am supporting National Taxpayers Union's efforts. . . . It is just a matter of common sense."

—**Rep. Andrew Jacobs, Jr.**
(D.-Indiana)

NATIONAL TAXPAYERS UNION, 325 Pennsylvania Avenue, S.E., Washington, D.C. 20003. EXECUTIVE COMMITTEE: Scott Burns, *Financial Editor*, Boston Herald-American; Mark Frazier, *Director*, Local Government Center; Charles G. Koch, *Chairman*, Koch Industries; Murray N. Rothbard, *Economist*; James D. Davidson; PRESIDENT: George E. Snyder; ADMINISTRATIVE DIRECTOR: Rita Smith; NATIONAL DIRECTOR OF FIELD SERVICES: Jule Herbert; DIRECTOR OF LEGISLATIVE POLICY: David Keating; DIRECTOR OF COMMUNICATIONS: Farrell Fitch; BOARD OF ADVISORS: Elizabeth Ashley, *Actress*; Frank Bond, *Baltimore, Maryland*; Oakley Bramble, *Lansing, Michigan*; Inman Brandon, *Atlanta, Georgia*; J.E. Brandon, *Columbus, Ohio*; Arthur Dubow, *Cambridge, Massachusetts*; F.R. Gardner, *Winter Haven, Florida*; Evan T. Garrison, *Atlantic Heights, N.J.*; Hon. Harber Hall, *State Senator*, Bloomington, Illinois; C. Lowell Harriss, *Professor of Economics*, Columbia University; Henry Hazlitt, *Economist*, Wilton, Connecticut; Hon. Louis Jenkins, *Member*, Louisiana Legislature; George E. Judd, *Ft. Myers, Florida*; Mrs. Miriam Keare, *Highland Park, Illinois*; S. Charles Lee, *Beverly Hills, California*; Lewis Lehrman, *New York City*; Walter C. Mickleburgh, *New York City*; Robert Myers, *Professor*, Temple University; E.A. Morris, *Greensboro, North Carolina*; Charles Peters, *Editor-in-Chief*, Washington Monthly; Robert S. Sherrill, *Author*, Baltimore, Maryland; Harry Schultz, *Financial Consultant*; John Sonneland, *Chairman*, We the People, Spokane, Washington; Robert I. Weiner, *Engineer*, Towson, Maryland; Harold M. Wit, *New York City*; Hon. Felix Wormser, *Greenwich, Conn.* **NTU BALANCE THE BUDGET AMENDMENT COMMITTEE**, CHAIRMAN: James Clark, Jr., *President*, Maryland State Senate; HONORARY CO-CHAIRMEN: Hon. Dolph Briscoe, Jr., *Former Governor of Texas*; Hon. William E. Simon, *Former Treasury Secretary*.

- * The average bureaucrat is now paid 44% more than people working for private business.
- * The average bureaucrat will pay \$40,000 less federal taxes than a person with the same income in the private sector. The government employee is exempt from Social Security taxes.
- * The average bureaucrat can retire a full decade sooner than the average person in private life -- at age 55 instead of 65.
- * The total unfunded federal pension deficit is now more than one trillion dollars, greater even than the national debt.

Dear friend,

Government employees are paid more than people working in the private sector. A lot more.

It's a serious problem...for you and for the nation. For you have to pay more in taxes so that government employees can earn more.

If federal employees were paid the same as private workers the total annual savings would be about \$20 billion annually. Or about \$250 for you and every other taxpayer in the country.

It's no mystery that government employees are overpaid. Everyone knows it. That's why more than 26,000 people recently applied for 70 federal job openings (while jobs in the private sector go begging!).

But there's more to the problem of government payroll than just money. It involves the type of government you will have and the type of society America is to become.

The Special Interests vs. the National Interest

You see, there's a good reason why government pay levels are so high. Government employees comprise the largest and most powerful special interest in the nation. They lobby hard for more and more of your hard-earned money -- and they get it.

Meanwhile, things which are in the national interest -- things which are in your interest as a citizen and a taxpayer -- are put aside. Like lower taxes. A balanced budget. A strong national economy. An efficient and effective national defense.

To illustrate the point clearly consider this:

While hundreds of people stand in line to get a single government

Over please...

job, critical jobs in the military (where employees are not a powerful political force) go unfilled. The Navy cannot even put some of its ships to sea because of a lack of skilled personnel.

The result: you get just what you don't need -- an overfed bureaucracy and an undernourished military.

You get many other things you don't need too. Such as taxes so high most citizens can barely pay them. The average citizen now works almost 50% of the year to support government -- including overpaid government employees.

The serfs in the Dark Ages only had to work 25% of the time for their lords and masters. The rest of the time they were free to work for themselves.

Yet instead of going down, your tax burden will probably go still higher. Even a massive tax cut in Washington will only partially offset the effects of inflation and state and local tax hikes.

Speaking of inflation...that's another thing which results from special interest pressure. Rather than balance the federal budget, politicians continue to spend more than the nation can afford -- handing out favors to special interest groups. You see the results of this process all around you -- record high inflation, high interest rates, and a virtually stagnant economy.

Wouldn't it be better to balance the budget, cut wasteful government spending, put the federal bureaucracy on a diet, and lower taxes?

Ask 8 out of 10 Americans that question and they'll respond with an emphatic "YES".

But if you expect our national policies to be reversed simply because most people think it would be a good idea, you're going to be sadly disappointed

YOU FACE A DANGEROUS SITUATION

The special interests are large and very powerful (financed by your tax money). They know how to manipulate the political process to their own advantage. (They've been doing it for years.)

Even as President, Ronald Reagan cannot fully control the federal bureaucracy. Only one out of a hundred employees can be directly fired by the President. The others will continue to do what they do best -- look out for their own interests at your expense.

Yet, if these special interests are not brought under control soon, you face even more serious economic and political troubles.

Each day that passes adds another 1.6 billion dollars to federal pension liabilities alone. That's \$20 for every taxpayer -- every day.

And the interest -- to say nothing of the principal -- on the national debt now costs the nation about \$119,000 per minute.

These staggering financial burdens have already started to take their

toll. The average American will earn \$780 less this year than in 1972.

The standard of living in America is no longer rising. It's falling. And it will continue to fall until the special interests are brought under control. Until your interests as a citizen and a taxpayer are put above the special interests which have bled our country for so many years.

WHAT YOU CAN DO

It won't be easy to stop the special interests and halt the growth of Big Government. But it can be done.

For more than 10 years, the National Taxpayers Union has been fighting to prevent waste in government spending and reduce your tax burden.

Working with a very limited budget, we've already achieved amazing success.

Our first step was to point out how your tax money is being wasted. I'm sure you've heard plenty of examples, such as these:

- * Billions down the drain on foreign aid. The U.S. Treasury has actually helped to finance both sides in 14 different wars over the last 20 years.
- * Millions in overpayments to federal employees. Congress put a \$50,000 ceiling on federal pay. But the bureaucrats found a way around it: they gave themselves bonuses ranging from \$2,000 to \$20,000. In one case every eligible member of a bonus board (the people who hand out the loot) was awarded extra cash.
- * At least \$200 million wasted every year on foolish research. In one case, a "researcher" was paid to visit a Peruvian brothel.
- * Billions more are wasted on inefficient maintenance and unneeded supplies. The government's Youth Conservation Corps bought 4,000 pairs of gloves for only 300 youths. Navy cargo ships are repaired at a cost 58 times as great as similar commercial vessels. Little expenses, and big ones, add up.

By helping to publicize this information we've played a large role in helping to form the new national consensus which resulted in the Reagan landslide last fall.

And by keeping the pressure on the politicians and bureaucrats these past ten years, we've been instrumental in eliminating some of this wasteful government spending.

For example, we exposed and then were able to abolish a little-known feature of the federal retirement system which enabled retired politicians and bureaucrats to reap a profit from inflation. Their

Over please...

inflation-adjusted pensions actually went up faster than the cost of living! Eliminating this item of federal spending saved as much as 100 billion dollars over the next few years.

And with the new administration in office -- an administration committed to the same goals we've been promoting for years -- we should be able to save billions more...and actually reverse the direction of government.

If we're able to push ahead now and make the cuts which could and should be made, you should see your tax bite decline dramatically next year.

But, again, it won't be easy. There's a well-entrenched government in Washington that you never elected...and would never tolerate if you had a say in it.

That's why I hope you will take my warning:

If we're not careful, the new administration will be frustrated in its attempts to get control over government spending. Your taxes will continue to rise. Government spending will continue to increase. And the standard of living of the average American will fall even further.

And take this invitation too:

Join with me as a member of the National Taxpayers Union. Together we can accomplish what none of us could do alone: reducing government spending, balancing the federal budget, and lowering your tax burden.

Let me tell you about our program. It is simple and direct:

1. Place a limit on how bad things can get. The National Taxpayers Union is working for enactment of a constitutional amendment which would require Congress to balance the budget annually -- no matter who is in the White House. This proposal already has the support of 30 state legislatures. When it becomes law, deficit spending, with its accompanying inflation, will be banned.
2. Fight fire with fire. Washington is swarming with lobbyists. Most of them represent special interests. Day in and day out these people try to get more of your hard-earned money. We've started a different kind of lobby -- one which works to protect your money.
3. Dig out the truth. NTU researchers uncover the facts that the politicians don't want you to hear. We show you how your tax money is wasted. And we tell you how your Congressmen actually voted on spending issues.
4. Fight them where they live. NTU has built a nationwide network of local taxpayer groups to help bring local spending under control. And we've begun to succeed. We've mobilized hundreds of thousands of citizens to reduce property taxes. Our LOCAL GOVERNMENT CENTER, located in Santa Barbara,

California, has proved that "you can fight city hall" ...and win. We've published a handbook: CUT LOCAL TAXES, WITHOUT REDUCING ESSENTIAL SERVICES, which explains how your community can shave 20%...or more...off its tax burden. Great savings are possible.

This is where you come in. The program of our whole organization is based upon you. We need your help to see it through.

There won't be any medals pinned on you. No page in history with your name on it. No plaques. Not even a "thank you" from your neighbors.

But don't let that stop you. If we're successful, you'll have the satisfaction of knowing you were one of the few who stood up and did something to stop inflation, cut taxes, and protect America's future.

~~You'll be in a minority, there's no doubt about it. Most people --~~
even those who agree with us -- will sit back and say to themselves, "I voted. Isn't that enough? Let the other guy do it."

It's an old story. Even back at the time of the first American Revolution, many people decided to play it safe. They sat by the sidelines and waited. They let the other guy do it.

And they were lucky. They too enjoyed the victory the patriots had won. They survived and were able to live in a country that was free and prosperous.

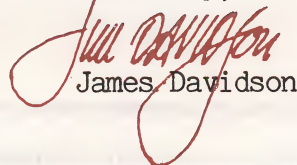
But you may not be so lucky. We're involved in a crisis that won't go away. Playing it safe won't pay off.

And voting is not enough. America is on a course that leads to decay and decline. No president alone -- no matter how well intentioned -- can possibly do the job alone.

I'm asking you to join with me and more than 100,000 other citizens to help bring Big Government under control. You'll be one of a minority. But a growing minority. And we'll keep growing until we have the power to turn things around.

Please become a member of the National Taxpayers Union today. It only costs \$20 to join. I'll look forward to hearing from you.

Sincerely,


James Davidson

P.S. As a member of the National Taxpayers Union you'll enjoy full benefits, including a subscription to "Dollars and Sense." This exciting publication will keep you up to date on the taxpayers movement and show you how you can reduce your personal tax burden immediately. "Dollars and Sense" alone should save you many times your membership contribution.

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